



APR 19 1983

Department of Energy
Washington, D.C. 20585

IPI-II-3-83

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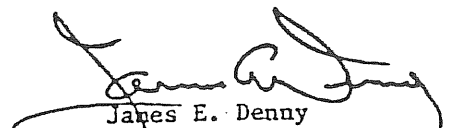
Subject: Class Waiver of Government's Rights in Inventions Arising
From the Use of DOE User Facilities

Attached is a copy of the Statement of Considerations showing that the above-identified class waiver has been granted. Also attached is the patent clause for agreements with users under the class waiver. As discussed in the Statement of Considerations, the waiver is automatic upon a determination by the DOE activity responsible for the user facility, either directly or through delegation to the user facility management, that the user is qualified and selected to have access to the facility.

Under the guidance of the President's patent policy, in view of the substantial contribution by the user to the overall costs of the research, and since the research efforts are not those of a DOE program, domestic manufacturing requirements of 35 U.S.C. § 204 and limitations on assignments and licenses of 35 U.S.C. § 202(c)(7) may be onerous and are hereby waived on a class basis for recipients of the subject class waiver. However, the other rights, requirements, and obligations of 35 U.S.C. §§ 202 and 203 remain in effect for recipients of this class waiver, and may be modified or waived only with the approval of Headquarters.

A special data clause has not been included as there is no intent to modify existing data requirements of user agreements. Accordingly, we should continue acquiring unlimited rights for the Government to data produced under the user agreement, as well as the right to ensure that the results of the research can be published.

Any difficulties in contractual arrangements with facility operators or users should be reported to this office.


James E. Denny
Assistant General Counsel
for Patents

Attachment

cc: R. Gaither, LLNL
P. Gaetjens, LANL

STATEMENT OF CONSIDERATIONS

User Facilities Class Waiver

This waiver is intended to cover public and private organizations which are using DOE facilities dedicated for research use by other Government entities and the general public. Under a typical user agreement, the user is given access to unique DOE facilities, such as equipment for producing high energy radiation, sophisticated instrumentation or a complex test facility. The research being performed is that of the user, not the Department.

These agreements do not take the form of a research contract, cooperative agreement, or grant as these terms are used in the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501) and implementing guidance by OMB and OFPP. Also, the requirements of DOE's regulations covering contracts, cooperative agreements and grants are not followed. As a result, these agreements do not fall within the definition of "funding agreement" of Public Law 96-517 and the patent policy set forth therein as applicable to small businesses and nonprofit organizations does not apply. For the same reason, the Presidential Memorandum on Government Patent Policy of February 18, 1983, which made the policies of Public Law 96-517 applicable to all other organizations to the extent permitted by law, does not apply.

Although not falling within the normal concept of R&D acquisition or assistance, these agreements nevertheless fall within the broad definition of "...contract, grant, agreement, understanding, or other arrangement, which includes research..." of Section 9 of DOE's Federal Nonnuclear Energy Research and Development Act of 1974 (Nonnuclear Act) and the concept of "...any contract, subcontract, or arrangement entered into with ... [DOE] ..., regardless of whether the contract, subcontract or arrangement involved the expenditure of funds by the ... [DOE] ..." of Section 152 of the Atomic Energy Act of 1954, as amended (Atomic Energy Act). As a result of this broad statutory language, agreements that fall outside of normal R&D acquisition and assistance policies nevertheless fall within DOE's title-taking patent policy legislation.

In June 1982, DOE granted a class waiver for the use of DOE's Government-owned, contractor-operated facilities, including user facilities, by or for others where the user or sponsor is providing full cost reimbursement for such use. That waiver provided the user or sponsor the first option to acquire title to inventions made under such agreements, including the inventions made by the operator of the DOE facilities. That waiver was not limited to user facilities and did not cover the vast majority of the entities that perform research in DOE user facilities, because those entities, mostly universities or other nonprofit organizations, do not normally provide full cost reimbursement. Arrangements for the use of such facilities are normally cost shared in that the users pay for their own personnel and equipment involved in the use of the facility. The Government, however, is not reimbursed for the time of the facility operator or the use of the equipment.

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It is the purpose of this waiver to utilize the flexibility of the Atomic Energy and Nonnuclear Acts, the statutory intent of P.L. 96-517, and the guidance of the Presidential Memorandum on Government Patent Policy of 1983 in order to provide a balanced and equitable patent policy that will encourage the utilization of DOE user facilities. Public Law 96-517 provides a statutory Government patent policy allowing small business firms and nonprofit organizations, at their option, to retain title to inventions they make under funding agreements (i.e. contracts, cooperative agreements, and grants) with the Government. This class waiver would apply to inventions of the user conceived or first actually reduced to practice in the course of or under an agreement for the use of DOE user facilities. The waiver terms include the Government license, march-in rights, and other restrictions and obligations set forth in Sections 202-204 of P.L. 96-517 as implemented by applicable regulations. The waiver would apply even though there is not full cost recovery by the Government for use of its facilities. The waiver does not cover inventions of the facility operator, or apply when the user is operating under an agreement with DOE which requires a different disposition of patent rights.

The term "user facility" is a shorthand way to describe the unique, typically large, complex and sophisticated facilities, equipment, software and collection of expertise specifically designed for use by the technical community, including universities, industries, other laboratories, and other Government entities.

User facilities are of two major types:

- a. Designated User Facilities which include any major DOE facility, including associated equipment and instruments, officially designated as either a national research facility or user facility; and
- b. Other User Resources which include major scientific instrumentation, laboratories, or other facilities that DOE laboratory management believes would be of interest and benefit to DOE-supported universities and other qualified researchers. This equipment is not available in other domestic private facilities on an independent, convenient and timely basis at a reasonable charge. Designation of such resources as available to users is subject to local management decisions concerning scheduling and other applicable restraints.

For the purpose of this class waiver, user facilities will be considered those on the list attached as Appendix A. This list may be from time-to-time enlarged or diminished, as appropriate, by the Assistant General Counsel for Patents upon advice from the Director of Energy Research and other appropriate DOE officials responsible for program activities at user facilities.

DOE user facilities have been established for the purpose of supporting research in those fields of technology of primary interest to the Department, particularly those involving nuclear energy and high energy physics. These

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facilities are established not only for utilization by the Department, but also for advancing research by offering these unique capabilities to the research efforts of profit and nonprofit organizations, as well as other Governmental entities. The grant of this waiver, therefore, will not only be consistent with the legislative intent of P.L. 96-517, but also will reflect the guidance provided to DOE in Section 9 of the Nonnuclear Act, as implemented by DOE regulations governing the granting of patent waivers, and in the 1983 Presidential Memorandum on Government Patent Policy.

This waiver is consistent with the objectives and considerations of DOE's waiver regulations in view of the fact that it is within DOE's programmatic purposes to encourage widespread utilization of these facilities in the support of the basic sciences. It is believed that providing exclusive rights to patentable inventions made by the sponsors of such research would best encourage such utilization. It should be emphasized that although DOE is making these facilities available, and accordingly, is underwriting a portion of the research being performed by the users, the research efforts are not those of a DOE program, but of the user which is underwriting the overall costs outside of the facility's use. DOE will not be involved in the further support of the research results, or responsible for attempting to achieve commercialization. Accordingly, if additional funding is necessary to continue the research and carry it through to commercial utilization, exclusive patent rights will normally be useful in encouraging the investment of the required capital expenditures. The waiver should, therefore, promote the commercial utilization of subject inventions and make the benefits of DOE user facilities widely available to the public in the shortest practicable time. The waiver will recognize the past, current, and future private expenditures necessary in the commercialization process, the lack of DOE commitment to further support, and the use of patent rights to encourage further private investment. For its contribution, the Government will receive a royalty-free, nonexclusive license to each invention made under these agreements, the standard march-in rights of P.L. 96-517, and the right to publish the results of the sponsored research.

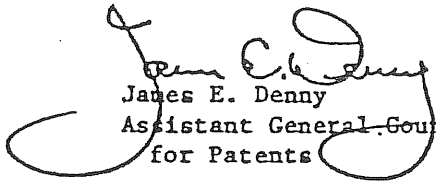
To the extent that the user is supported by funding from another federal agency, the agreement with that agency will provide for the disposition of patent rights deemed necessary to satisfy the agency's statutory or regulatory requirements. In view of P.L. 96-517, and the 1983 Presidential Memorandum on Government Patent Policy, the disposition of rights will normally be identical to those of this class waiver.

Finally, in view of the fact that this waiver will mostly apply to basic research performed in facilities available to all of the scientific and technical communities, there appears to be little chance the waiver would cause an adverse effect on competition.

The availability of this class waiver shall be automatic upon a determination by the DOE activity responsible for the user facility, either directly or through delegation to the user facility management, that the user is qualified and selected to have access to the facility.

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Accordingly, in view of the objectives to be attained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it is recommended that a waiver of U.S. and foreign patent rights, to the class of users, and in the situations described above, will best serve the interests of the United States and the general public. It is therefore recommended that the waiver be granted.



James E. Denny
Assistant General Counsel
for Patents

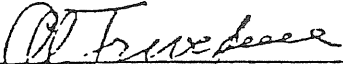
Order for the Disposition of Patent
Rights Arising From Use of DOE Facilities

Pursuant to the authority provided in Section 152 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2182), Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5908), and the implementing regulations promulgated thereunder for waivers of patent rights, it is in the best interests of the United States and the general public to grant a waiver of patent rights to the class represented by users of DOE user facilities. Therefore, it is ordered that a waiver of U.S. and foreign patent rights to users of DOE user facilities listed in Attachment A, as may be amended from time to time in accordance with the foregoing Statement of Considerations is hereby granted. The waiver is limited to inventions of the users which are conceived or first actually reduced to practice in the course of or under an agreement for the use of DOE user facilities, and is subject to all the limitations, terms, and conditions set forth in the foregoing Statement of Considerations. The Assistant General Counsel for Patents shall be responsible for issuing

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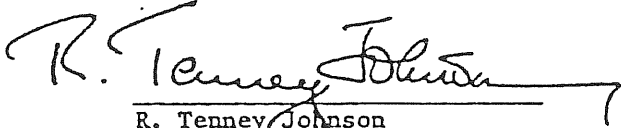
instructions for implementation of this waiver in accordance with DOE regulations for the waiver of patent rights and, insofar as possible within statutory and regulatory authorities, OMB Circular A-124 and federal regulations implementing the Presidential Memorandum on Government Patent Policy dated February 18, 1983. This waiver shall not affect any waiver previously granted.

CONCURRENCE:


Alvin W. Trivelpiece, Director
Office of Energy Research

Date: 3/31/83

APPROVAL:


R. Tenney Johnson
General Counsel

Date: March 23, 1983

ATTACHMENT

1. Patent Rights - User Facilities (Class Waiver)

(a) Definitions

(1) "User" means the person or entity with which this agreement is made.

(2) "Subject Invention" means any invention or discovery of the User, conceived or first actually reduced to practice in the course of or under this agreement, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plants, whether patented or unpatented under the Patent Laws of the United States of America or any foreign country.

(3) "Facility Operator" means the operating contractor which manages and operates the Government-owned, contractor-operated facility where the work under this agreement is to be performed.

(4) "Patent Counsel" means the DOE Patent Counsel assisting the Facility Operator.

(b) Rights of the User.

(1) Election to retain rights.

Subject to the provisions of paragraph (c)(2) of this clause, the User may retain the entire right, title and interest in any patent application filed in any country on a Subject Invention reported and elected in accordance with paragraph (d) of this clause and in any resulting patent secured by the User. Where appropriate, the filing of patent applications by the User is subject to DOE security regulations and requirements.

(2) Minimum license.

The User reserves an irrevocable, nonexclusive, paid-up license in each patent application filed in any country on a Subject Invention and any resulting patent in which the User does not elect to retain title or in which the Government acquires title. The license shall extend to the User's domestic subsidiaries and affiliates, if any, within the corporate structure of which the User is a part and shall include the right to grant sublicenses of the same scope to the extent the User was legally obligated to do so at the time this agreement was entered into. The license shall be transferable only with approval of DOE except when transferred to the successor of that part of the User's business to which the invention pertains.

(c) Rights of Government.

(1) Assignment to the Government.

The User agrees to assign to the Government, upon request, the entire right, title, and interest in any country to each Subject Invention of the User except to the extent that rights are retained by the User under Paragraph (b)(2) of this clause, where the User:

(i) Does not elect pursuant to this clause to retain such rights; or

(ii) Fails to have a patent application filed in that country on the Subject Invention or decides not to continue prosecution or not to pay any maintenance fees covering the invention; or

(iii) At any time, the User no longer desires to retain title.

(2) Terms and Conditions of Waived Rights.

(i) To preserve the Government's residual rights to Subject Inventions, the User shall take all actions in reporting, electing, filing on, prosecuting and maintaining invention rights promptly, but in any event, in sufficient time to satisfy domestic and foreign statutory and regulatory time requirements, or, if the User decides not to take appropriate steps to protect the invention rights, it shall notify DOE in sufficient time to permit the Government to file, prosecute and maintain patent applications and any resulting patents prior to the end of such domestic or foreign statutory or regulatory time requirements.

(ii) The User shall convey or assure the conveyance of any executed instruments necessary to vest in the Government the rights set forth in this clause.

(iii) The User hereby grants to the Government a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced each Subject Invention throughout the world for or on behalf of the United States.

(iv) The User shall provide the Government a copy of any application filed on a Subject Invention promptly after such application is filed, including its serial number and filing date.

(v) The User agrees that with respect to any subject invention in which it has acquired title, DOE has the right to require the User, or an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the User, assignee, or exclusive licensee refuses such a request, DOE has the right to grant such a license itself if DOE determines that:

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(A) Such action is necessary because the User or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(B) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the User, assignee, or their licensees; or

(C) Such action is necessary to meet requirements for public use specified by federal regulations and such requirements are not reasonably satisfied by the User, assignee, or licensees.

(vi) The User shall submit written reports at reasonable intervals upon request of the Government during the term of the patent on the Subject Invention regarding:

(A) The commercial use that is being made or is intended to be made of the invention; and

(B) The steps taken by the User or an assignee or exclusive licensee to bring the invention to the point of practical application or to make the invention available for licensing.

To the extent data or information supplied under this section is considered by the User, its licensee or assignee to be privileged and confidential and is so marked, DOE agrees that, to the extent permitted by 35 U.S.C. § 202(c)(5), it will not disclose such information to persons outside the Government.

(d) Invention identification, disclosures, and reports.

(1) The User shall furnish the Patent Counsel a written report containing full and complete technical information concerning each Subject Invention of the User within 6 months after conception or first actual reduction to practice, whichever occurs first, in the course of or under this contract, but in any event prior to any on sale, public use or public disclosure of such invention known to the User. The report shall identify the agreement and inventor and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention. The report should also include any election of patent rights under this clause. When an invention is reported under this paragraph (d), it shall be presumed to have been made in the manner specified in Section (a)(1) and (2) of 42 U.S.C. § 5908.

(e) Limitation of rights.

Nothing contained in this patent rights clause shall be deemed to give the Government any rights with respect to any invention other than a Subject Invention except as set forth in the Facilities License of paragraph (f).

(f) Facilities License.

In addition to the rights of the parties with respect to inventions or discoveries conceived or first actually reduced to practice in the course of or under this agreement, the User agrees to and does hereby grant to the Government an irrevocable, nonexclusive paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the User, which at any time through completion of this contract are owned or controlled by the User and are incorporated in the facility as a result of this agreement to such an extent that the facility is not restored to the condition existing prior to the agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at anytime from contesting the enforceability, validity or scope of, or title to, any rights or patents herein licensed.

Rights In Technical Data

[use clause in user agreements per FPI-II-1-82]

Attachment V.1

April 18, 1983

DOE User Facilities and Other User Resources

AMES LABORATORY

Designated User Facilities

Coal Preparation and Characterization Facility
Material Preparation Center

Other User Resources

X-Ray Diffraction Laboratory

ARGONNE NATIONAL LABORATORY

Designated User Facilities

4-MV Dynasitron Facility
Argonne Tandem/Linac Accelerator Facility
Facility for High-Resolution Atomic Spectroscopy
Intense Pulsed Neutron Source I (IPNS-I)
Users Support Center
Biological-Materials Growth Facility
High Voltage Electron Microscope Tandem Facility
Janus Biomedical Research Neutron Reactor

Other User Resources

Pulsed Electron Linac
3 MeV Van de Graaff
60-Inch Cyclotron
Solar Collector Test Facility
Salt Gradient Solar Pond
Ocean Thermal Energy Conversion Heat Exchanger Test Facility
National Battery Test Laboratory (NBTL)
Fossil Energy Users Laboratory (FEUL)

BROOKHAVEN NATIONAL LABORATORY

Designated User Facilities

National Synchrotron Light Source
Alternating Gradient Synchrotron
Scanning Transmission Electron Microscopy Facility
PETT VI Positron Emission Transaxial Tomograph
JSW168 Small Cyclotron
60-Inch Cyclotron
Double HP Tandem Accelerator Facility

Other User Resources

High Flux Beam Reactor
Medical Research Reactor
Whole Body Gamma Spectrometer Facility
Dynamitron Electron Accelerator

IDARO NATIONAL ENGINEERING LABORATORYDesignated User Facilities

Hot Cell Facilities
Thermal Hydraulics Experimental Facility
Power Burst Facility Reactor
Advanced Test Reactor
Test and Evaluation Laboratory
Remote Analytical Facility
Engineering Test Reactor (Currently Inactive)
Loss-of-Fluid Test Facility (LOFT)
Semiscale Facility
Test Area North Hot Shop
Sodium Loop Safety and Remelt Facility (Currently Inactive)

Other User Resources

Advanced Reactivity Measurement Facility
Coupled Fast Reactivity Measurement Facility
Materials Analysis Laboratory
On-Line Isotope Separator for Short-Lived Fission Products Studies
Weld Diagnostics Laboratory
Advanced Test Reactor Simulator
Coincidence System for Precise Measurement of Decay Rates of
Radioactive Samples (Being Upgraded)
Iron-Free Magnetic Electron Spectrometer (Inactive)
Micro Raman Spectrometer
A Spectrometry System for Precise Measurements of Gamma-ray
Intensities and Energies
Ultrasonic Fuel Scanner
ESCA-Auger Spectrometer

LAWRENCE BERKELEY LABORATORYDesignated User Facilities

Bevalac
88-Inch Cyclotron
National Tritium Labeling Facility
The National Center for Electron Microscopy
SuperHILAC

Other User Resources

Neutral Beam System Test Facility
Heavy Charged Particle Treatment Facility
2.5 MeV Van de Graaff Facility

LOS ALAMOS NATIONAL LABORATORYDesignated User Facilities

National Flow Cytometry and Sorting Research Resource
National Stable Isotopes Resource
Weapons Neutron Research Facility
Clinton P. Anderson Meson Physics Facility (LAMPF)
National Genetic Sequence Data Bank
Los Alamos National Environmental Research Park

Other User Resources

Ion Beam Research Facilities
Omega West Reactor
Los Alamos Critical Assemblies Facility
Automated Mass Spectrometer for Isotopic Nitrogen Analysis
Laser and Laser Spectroscopy Facilities
Laser-Based Optical Instrumentation
R&D Support-Mechanical Fabrication
Atmospheric Light Detection and Ranging Facility
Ionospheric High Frequency Radar Facility
High Altitude Instrument Platform
Heavy Methane Atmospheric Tracer System
Instrument Sonde Test Facility
Oil Shale Test Retort
Rock Mechanics: High Pressure Creep Apparatus
Rock Mechanics: Large Volume Apparatus
Radiation Instrument Calibration
Medical Radioisotopes Resource
Exotic Radioisotopes for Physical Science Research

OAK RIDGE NATIONAL LABORATORYDesignated User Facilities

Oak Ridge National Environmental Research Park
Surface Modification and Characterization Facility
Neutron Scattering Facility
National Center for Small-Angle Scattering Research
Health Physics Research Reactor
Atomic Physics Low-Energy Multiply-Charged Ion Beams
Holifield Heavy Ion Research Facility
Atomic Physics E-N Tandem Accelerator
Oak Ridge Electron Linear Accelerator
Shared Research Equipment (SHARE Microanalysis Facility)
Magnet Laboratory

Other User Resources

CWTF Superconducting Magnet Facility
Tennessee Energy Conservation in Housing (TECH)/House Component and
Equipment Field Test Facility

PACIFIC NORTHWEST LABORATORY

Other User Resources

Arid Lands Ecology Reserve
Supercritical Fluid Chromatography/Mass Spectrometry
Accelerator Laboratory
Low-Level Radionuclide Measurement Instrumentation
Shielded Analytical Facilities of the Nuclear
Waste Materials Characterization Center
AUGER Electron Spectroscopy
Gas Chromatograph/Mass Spectroscopy

SANDIA NATIONAL LABORATORIES

Designated User Facility

Combustion Research Facility (Livermore, Ca.)

FERMI NATIONAL ACCELERATOR LABORATORY

Designated User Facilities

Fermilab High Energy Accelerator
Fermilab Multiparticle Spectrometer
Fermilab Tagged Photon Spectrometer
Neutrino Flux Monitoring Facility
Fermilab Bubble Chamber Facility
Meson Experimental Area
Neutrino Experimental Area
Proton Experimental Area

NOTRE DAME RADIATION LABORATORY

Designated User Facility

Van de Graaff-ESR Spectrometer

SAVANNAH RIVER LABORATORY

Other User Resources

Aquatic Research Laboratory

SAVANNAH RIVER ECOLOGY LABORATORY (SREL)

Designated User Facility

SREL National Environmental Research Park

STANFORD LINEAR ACCELERATOR CENTER

Designated User Facilities

SLAC Electron Linear Accelerator
Positron-Electron Storage Ring (PEP)

STANFORD LINEAR ACCELERATOR CENTER (Continued)

Designated User Facilities (cont'd)

Hybrid Bubble Chamber Facility
Spectrometer Facility
SPEAR Storage Ring
High Energy Particle Test Beams

STANFORD SYNCHROTRON RADIATION LABORATORY

Entire Facility

UNIVERSITY OF ROCHESTER LABORATORY FOR LASER ENERGETICS

Designated User Facility

National Laser Users Facility

ENERGY TECHNOLOGY ENGINEERING CENTER

Other User Resources

Sodium Components Test Installation
Sodium Component Test Laboratory
Thermal Transient Facility
Large Leak Test Rig
Hydraulic Test Facility

GEOTHERMAL TEST FACILITY, EAST MESA, CA.

Entire Facility

SOLAR ENERGY RESEARCH INSTITUTE

Other User Resources

Heat and Mass Transfer Research Laboratory
Surfaces and Interfaces Laboratory
Mid-Temperature Collector Research Facility
Photovoltaic Devices and Measurements Laboratory
Solar Energy Research and Applications in Process
Heat (SERAPH) Facility
SERI Daylighting Laboratory

BATES LINEAR ACCELERATOR FACILITY

Entire Facility